

**SOUTH CAROLINA PUBLIC SERVICE COMMISSION****DOCKET NO. 2019-185-E****DOCKET NO. 2019-186-E**

In the Matter of:	)	<b>DUKE ENERGY CAROLINAS,</b>
	)	<b>LLC'S AND DUKE ENERGY</b>
South Carolina Energy Freedom Act	)	<b>PROGRESS, LLC'S FIRST SET</b>
(H.3659) Proceeding to Establish Each	)	<b>OF REQUESTS FOR</b>
Electrical Utility's Standard Offer,	)	<b>PRODUCTION OF DOCUMENTS</b>
Avoided Cost Methodologies, Form	)	<b>AND INTERROGATORIES TO</b>
Contract Power Purchase Agreements,	)	<b>THE SOUTH CAROLINA</b>
Commitment to Sell Forms, and Any	)	<b>COASTAL CONSERVATION</b>
Other Terms or Conditions Necessary	)	<b>LEAGUE AND SOUTHERN</b>
	)	<b>ALLIANCE FOR CLEAN</b>
	)	<b>ENERGY</b>

---

Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") (together, "Duke Energy" or the "Companies"), by and through their legal counsel, pursuant to Rule 103-833(C) of the Rules of Practice and Procedure of the South Carolina Public Service Commission, hereby serves the South Carolina Coast Conservation League and the Southern Alliance for Clean Energy ("SACE/CCL") with the following First Set of Requests for Production and Interrogatories to be answered under oath on or before twenty (20) days from the date of service.

Further, please take notice that these Requests for Production and Interrogatories are continuing in nature until the date of the hearing, and that any information or responsive materials identified after your responses have been served upon the undersigned counsel should be provided via supplemental discovery responses as soon as possible after such identification.

## **INSTRUCTIONS**

1. Please produce the requested documents as they are kept in the usual course of business or to organize and label them to correspond with the categories in the Request. Documents attached to each other should not be separated.

2. In producing Documents, furnish all documents known or available to you, regardless of whether such documents are possessed directly by you or your agents, employees, representatives, investigators, or by your attorneys. All requests for Documents shall specifically request documents of Mr. Brendan Kirby and Mr. James Wilson, who You have retained to provide expert testimony in this proceeding.

4. If any document otherwise responsive to any Request was, but is no longer, in your possession, subject to your control or in existence, identify each document by listing its author(s) and addressee(s), date, subject matter, whether the document(s) or copies are still in existence (and if so, their locations and the custodians), as well as whether the document is missing or lost, has been destroyed, has been transferred voluntarily to others, or has been otherwise disposed of. In each instance, explain the circumstances surrounding such disposition and identify the person(s) directing or authorizing its destruction or transfer, and the date(s) of such direction or authorization.

5. If a privilege not to answer a Request is claimed, identify each matter as to which the privilege is claimed, the nature of the privilege, and the legal and factual basis for each such claim.

6. Unless otherwise stated, the relevant time period for these Requests is from January 1, 2019, until the present.

7. Each Request shall be reproduced at the beginning of the response thereto.

8. Please provide copies of the information responsive to each Request in native electronic working format with all data and formulas intact.

9. Please provide responses to the following data requests electronically. To the extent this is impracticable, the responses, including any responsive Documents, should be provided at the offices of Sowell, Gray, Robinson, Stepp & Laffitte, LLC, 1310 Gadsden Street, Columbia, South Carolina 29201, or some mutually convenient location otherwise agreed to by the parties.

### **DEFINITIONS**

1. **“Commission”** means the Public Service Commission of South Carolina.
2. **“Communication”** means the transmittal of information in the form of facts, ideas, Documents, inquiries, or otherwise, including every discussion, conversation, conference, or telephone call.
3. **“You”** and **“your”** means the SACE/CCL Witnesses in this proceeding, and all of its members, agents, representatives and attorneys.
4. **“Dockets”** means Commission Docket Nos. 201-185-E & 2019-186-E.
5. The term **“document”** is to be construed as broadly as permissible under Rule 34 of the South Carolina Rules of Civil Procedure and includes, but is not limited to, any printed, typewritten, handwritten or otherwise recorded information of whatever character, including, but not limited to, letters, memoranda, notes, diaries, reports, records, calendars, charts, audio and/or video tapes or discs, and photographs; computer programs or disks; electronic media records, however recorded and maintained, including, but not limited to, electronic mail, voicemail messages, digital photographs and electronically scanned records of any type; recorded observations, statements, conversations or formal affidavits. Any carbon or photocopy of any such materials upon which notations have been made and all drafts are also included.

6. **“Person”** means any natural person or any business, legal, or governmental entity or association.

7. The terms **“related to”** and **“relating to”** or any variation thereof shall be construed to include refer to, summarize, reflect, constitute, contain, embody, mention, show, comprise, evidence, discuss, describe, comment on, concerning, regarding, eluding to, pertaining to, probative of, in connection with, dealing with, in respect of, about, involved, identifying or proving.

8. **“Identify,”** when referring to a Person, means to give, to the extent known, the Person’s full name, present or last known address, and when referring to a natural Person, additionally, the present or last known place of employment.

9. **“Identify,”** when referring to Documents, means to give, to the extent known, the (i) type of Document; (ii) general subject matter; (iii) date of the Document; and (iv) authors, addressees and recipients.

10. **“Identify,”** when referring to an oral Communication, means to give, to the extent known, the identity of the speaker and of each Person who was present when the Communication was spoken, and the substance, date, and place of such Communication.

11. **“FERC”** means the Federal Energy Regulatory Commission.

12. **“PURPA”** means Section 210 of the Public Utility Regulatory Policies Act of 1978, 16 U.S. Code § 824a–3, as well as the regulations established by the Federal Energy Regulatory Commission to implement PURPA, 18 C.F.R. 292.101 *et seq.*

### **INTERROGATORIES**

1-1. In regards to SACE/CCL Witness Brendan Kirby's statement on page 10 of his direct testimony stating "If DEC and DEP were operating with 400 MW of spinning reserve held for contingencies, then Figure 2 would more accurately depict the relationship between the Ancillary Service Model's predictions and actual historical reserves," please explain in detail whether You believe that it would reflect prudent utility practice to utilize contingency reserves to accommodate intra-hour solar volatility.

**ANSWER:**

1-2. On page 19 of SACE/CCL Witness Brendan Kirby's direct testimony, he states that "There are increased operating costs whenever spinning reserve requirements are increased. Therefore, adding reserve requirements 8760 hours per year, regardless of whether solar is actually operating or not, unrealistically inflates capital costs and operating costs." Please provide support for, and explain why You believe DEC and DEP have presented unrealistically inflated capital costs as part of the Ancillary Services Study.

**ANSWER:**

1-3. On page 25 of SACE/CCL Witness Brendan Kirby's direct testimony, he states that "Further, the Ancillary Service Study based its solar variability estimate on one year of data collected between October 2016 and September 2017. The solar fleet has grown considerably from the 244-431 MW that were operating that test year." Please provide support for the 244-431 MW quote corresponding to the 2016-2017 time period for DEC and DEP.

**ANSWER:**

### **REQUESTS FOR PRODUCTION**

1-1. Please produce any and all documents identified, referred to, or relied upon by your Witnesses in preparing your response to Duke Energy's First Set of Interrogatories to SACE/CCL.

#### **RESPONSE:**

1-2. Please produce copies of all data requests, requests for production, interrogatories, or other communications that have been received by SACE/CCL in connection with this docket. Please produce these as soon as practicable after they are received. Please consider this an ongoing request.

#### **RESPONSE:**

1-3. On page 35 of SACE/CCL Witness Brendan Kirby's direct testimony, he states "If the Commission decides that a SISC must be imposed pending the results of a valid study the charge should, at a minimum, be reduced 85% to reflect the lower cost of using Direct Testimony of Brendan Kirby non-spinning reserves, be reduced by a further 58% to reflect the majority of hours when solar is not generating and cannot possibly increase reserve needs, and be reduced by a further 24% to reflect the aggregation benefits already being experienced for the Existing+ Transition case. Together these reductions would reduce the DEC solar integration charge from \$1.10/MWH to \$0.05/MWH for the Existing Plus Transition level of solar penetration while the charge for DEP would reduce from \$2.39/MWH to \$0.11/MWH." Please provide all workpapers, studies, analysis, and calculations performed by You to determine each of the reductions assumed by Mr. Kirby for the solar integration charge.

#### **RESPONSE:**

Dated this 20<sup>th</sup> day of September, 2019.

/s/ Rebecca J. Dulin  
Rebecca J. Dulin  
Associate General Counsel  
Duke Energy Carolinas, LLC  
Duke Energy Progress, LLC  
1201 Main Street, Suite 1180  
Capital Center Building  
Columbia, SC 29201  
(803) 988-7130  
[rebecca.dulin@duke-energy.com](mailto:rebecca.dulin@duke-energy.com)

and

E. Brett Breitschwerdt  
McGuire Woods LLP  
434 Fayetteville Street, Suite 2600  
P.O. Box 27507 (27611)  
Raleigh, North Carolina  
(919) 755-6563  
[bbreitschwerdt@mcguirewoods.com](mailto:bbreitschwerdt@mcguirewoods.com)

*Attorneys for Duke Energy Carolinas, LLC  
and Duke Energy Progress, LLC*